crew energy inc.

Crew Energy Inc. Announces Third Quarter 2021 Results Highlighted By Strong Financial and Operating Performance

November 4, 2021

CALGARY, Alberta, Nov. 04, 2021 (GLOBE NEWSWIRE) -- Crew Energy Inc. (TSX: CR, OTCQB: CWEGF) ("Crew" or the "Company"), a growth-oriented natural gas weighted producer operating exclusively in the world-class Montney play in northeast British Columbia, is pleased to announce our operating and financial results for the three and nine month periods ended September 30, 2021. Crew's Financial Statements and Notes, as well as Management's Discussion and Analysis ("MD&A") are available on Crew's website and filed on SEDAR at www.sedar.com.

"Crew benefitted from positive market developments in the third quarter as commodity prices reached levels unseen in recent history, enabling the Company to capture value from our world-class resource to generate meaningful adjusted funds flow[1] ("AFF")," said Dale Shwed, President and CEO of Crew. "Crew exceeded previously announced quarterly production guidance by 13% at the midpoint, due largely to the successful execution of our capital program. In addition, we are now a pure-play Montney producer with an improved environmental profile after the sale of our Lloydminster heavy crude oil operations. We are excited to advance our two-year plan to create sustainable value for shareholders by increasing production into a strengthening commodity price environment, while also reducing per unit costs to expand margins."

Q3 2021 HIGHLIGHTS

- **23,659 boe per day**[1] (142.0 mmcfe per day) of average production in Q3/21, a 17% increase over Q3/20 and 13% above the midpoint of production guidance range of 20,000 to 22,000 boe per day[1], a result of the successful execution of our capital program highlighted by production from the new 1-8 pad and the quick turnaround of the West Septimus gas plant in 7.5 days. For the first nine months of 2021, volumes averaged 25,532 boe per day[1] (153.2 mmcfe per day), a 16% increase over the same period in 2020.
- **$26.5 million of AFF**[2] ($0.17 per fully diluted share) was generated in the quarter, a 210% increase over Q3/20, with year-over-year growth being bolstered by higher production, lower cash costs and significantly improved commodity prices. AFF[1] in the first nine months of 2021 totaled $86.0 million ($0.55 per share), 236% higher than the same period in 2020.
- **$176.2 million of net income** ($1.12 per fully diluted share) compared to a net loss of $21.1 million ($0.14 per fully diluted share) in the comparable period of 2020, with the increase due primarily to the reversal of a previous impairment charge of $228.5 million, net of depletion.
- **11% reduction in net operating costs**[2] per unit in Q3/21, totaling $5.11 per boe compared to $5.74 per boe in Q3/20, reflecting lower average net operating costs from new production at West Septimus and improved operational efficiencies, supporting an 86% year-over-year increase in operating netback[2] to $16.07 per boe. The previously announced disposition of our Lloydminster heavy crude oil operations on September 24, 2021, is expected to reduce operating costs by approximately $0.70 per boe going forward.
- **$56.5 million of net capital expenditures**[2] in Q3/21**,** below our previously forecast range of $60 to $70 million due to the recently announced disposition of the Company's Lloydminster heavy crude oil operations offsetting total exploration and development spending of $64.3 million. The majority of expenditures were directed towards continued development at Septimus and West Septimus ("Greater Septimus").
- **Three new Groundbirch wells** were completed in Q3/21, achieving a combined restricted rate of 32 mmcf per day at the end of an 18-day flowback period in October, establishing a promising new development area with over 70,000 acres of contiguous land.
- **Achieved record throughput** of 115 mmcf per day of sales gas at the West Septimus gas plant at its peak in October, leading to record high natural gas production levels of 149 mmcf per day.
- **$404.1 million of net debt**[2] at September 30, 2021, with no near-term maturities and no financial covenants or repayment requirements on the $300 million of senior notes termed out until 2024. The Company's bank syndicate completed its fall review, confirming the facility at $150 million until the next review in the second quarter of 2022.
- **Completed the sale of Crew's Lloydminster heavy crude oil operations** (as previously announced in Crew's press release dated October 28, 2021), successfully accomplishing our corporate evolution to become a pure play Montney producer. Divestment of these assets sets the stage for Crew to improve efficiencies, significantly reduce our Greenhouse Gas ("GHG") emissions intensity going forward, and decrease overall decommissioning obligations by nearly 40%.
- **Advanced our corporate sustainability initiatives** through listing on OTCQB market under the ticker 'CWEGF', which expands our audience scope, pool of capital, and provides U.S. investors greater flexibility and ease to trade in the Company's common shares.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Sept. 30, 2021**	Three months ended Sept. 30, 2020	**Nine months ended Sept. 30, 2021**	Nine months ended Sept. 30, 2020
Petroleum and natural gas sales	**75,628**	32,344	**229,695**	95,327
Adjusted funds flow[1]	**26,511**	8,549	**86,036**	25,582
Per share – basic	**0.17**	0.06	**0.56**	0.17
– diluted	**0.17**	0.06	**0.55**	0.17
Net Income (loss)	**176,183**	(21,136)	**154,398**	(237,848)
Per share – basic	**1.14**	(0.14)	**1.01**	(1.56)
– diluted	**1.12**	(0.14)	**0.99**	(1.56)
Exploration and development expenditures	**64,295**	21,876	**135,583**	45,253
Net property dispositions	**(7,816)**	(35)	**(7,816)**	(34,931)
Net capital expenditures	**56,479**	21,841	**127,767**	10,322

Capital Structure ($ thousands)	**As at Sept. 30, 2021**	As at Dec. 31, 2020
Working capital deficiency[1]	**35,093**	24,361
Bank loan	**71,460**	35,994
	106,553	60,355
Senior unsecured notes	**297,588**	296,851
Total net debt[1]	**404,141**	357,206
Common shares outstanding (thousands)	**156,577**	156,449

Notes:

(1) Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See “Advisories - Non-IFRS Measures” contained within this press release.

Operations	**Three months ended Sept. 30, 2021**	Three months ended Sept. 30, 2020	**Nine months ended Sept. 30, 2021**	Nine months ended Sept. 30, 2020
Daily production				
Light crude oil (bbl/d)[1]	**148**	159	**158**	188
Heavy crude oil (bbl/d)	**1,009**	1,464	**1,072**	1,389
Natural gas liquids (“ngl”) [2] (bbl/d)	**2,242**	1,894	**2,442**	2,109
Condensate (bbl/d)	**2,350**	2,247	**2,691**	2,739
Conventional natural gas (mcf/d)	**107,459**	86,658	**115,016**	93,763
Total (boe/d @ 6:1)	**23,659**	20,207	**25,532**	22,052
Average prices[3]				
Light crude oil ($/bbl)	**78.29**	43.93	**71.26**	37.56
Heavy crude oil ($/bbl)	**65.59**	37.82	**59.41**	25.79
Natural gas liquids ($/bbl)	**23.76**	11.08	**16.09**	7.71
Condensate ($/bbl)	**81.47**	43.53	**75.30**	41.77
Conventional natural gas ($/mcf)	**4.65**	1.97	**4.56**	1.86
Oil equivalent ($/boe)	**34.75**	17.40	**32.95**	15.78

Notes:

(1) The Company does not have any medium crude oil as defined by NI 51-101.

(2) Throughout this news release, ngls comprise all natural gas liquids as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), other than condensate, which is disclosed separately, and natural gas means conventional natural gas by NI 51-101 product type.

(3) Average prices are before deduction of transportation costs and do not include realized gains and losses on derivative financial instruments.

	Three months ended Sept. 30, 2021	Three months ended Sept. 30, 2020	**Nine months ended Sept. 30, 2021**	Nine months ended Sept. 30, 2020
Netback ($/boe)				
Petroleum and natural gas sales	**34.75**	17.40	**32.95**	15.78
Royalties	**(2.74)**	(0.76)	**(2.27)**	(0.74)
Realized commodity hedging (loss) gain	**(6.22)**	1.90	**(5.64)**	2.33

Marketing loss[1]	**-**	(0.28)	**-**	(0.13)
Net operating costs[2,3]	**(5.11)**	(5.74)	**(4.84)**	(5.72)
Transportation costs	**(4.61)**	(3.89)	**(4.28)**	(3.49)
Operating netback[3]	**16.07**	8.63	**15.92**	8.03
General and administrative ("G&A")	**(1.05)**	(0.79)	**(0.97)**	(0.91)
Financing costs on long-term debt	**(2.84)**	(3.25)	**(2.61)**	(2.88)
Adjusted funds flow[3]	**12.18**	4.59	**12.34**	4.24

Notes:

(1) Marketing loss was recognized from the monetization of forward physical sales contracts offset by the cost of committed natural gas transportation that was not available during the period.
(2) Net operating costs are calculated as gross operating costs less processing revenue.
(3) Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

TWO-YEAR PLAN PROGRESS[3]

In Q3/21, Crew continued to advance our two-year development plan that was announced in late 2020:

- **AFF Supported by Higher Prices** – AFF[4] of $26.5 million in Q3/21 has been augmented by the continued improvement of commodity markets. Our full year 2021 AFF[4] forecast remains between $120 to $140 million. Crew intends to announce updated 2022 guidance in December 2021.
- **Production Growth** – Q3/21 production averaged 23,659 boe per day[5], 13% above the midpoint of our previously announced quarterly guidance range of 20,000 to 22,000 boe per day and is on track to generate annual 2021 average production between 26,000 to 28,000 boe per day[5].
- **Optimized Capital Program** – Building on momentum realized to date in 2021, Crew now plans to drill 26 and complete 21 wells (compared to our previous guidance of drilling and completing 21 wells) by the end of 2021, carrying forward ten drilled and uncompleted wells into 2022. Crew intends to implement the expanded program within our previous net capital expenditures guidance range of $150 to $170 million.
- **Reduced Costs** – Crew's plan to reduce per unit costs by over 25% from 2020 to 2022 is largely based on increasing production volumes into existing infrastructure, as over 50% of the Company's expenses are fixed. Additional Montney production into Crew infrastructure is expected to have fixed and variable operating costs of approximately $1.40 per boe. As production increases, per unit costs associated with operating, transportation, G&A and interest expenses are targeted to decline from $13.19 per boe in 2020 to between $9.00 and $10.00 per boe in 2022[6], representing decreases of 32% and 24%, respectively. The Company has taken significant steps towards achieving these goals with the addition of production from the 1-8 West Septimus and 4-17 Groundbirch pads, leading to more efficient use of the 120 mmcf per day of sales gas capacity at our West Septimus plant and the 60 mmcf per day of sales gas capacity at the Septimus gas plant. Crew has reduced net operating costs[4] from $5.74 per boe in Q3/20 to $5.11 per boe in Q3/21, and we expect that the sale of the Lloydminster operations will reduce unit operating costs by approximately $0.70 per boe.
- **Balanced Hedging** – An active risk management program ensures the Company generates sufficient AFF to execute our planned capital programs under various pricing environments. Crew currently has approximately 75,000 GJ's per day of natural gas production for 2022 hedged at an average price of $2.63 per GJ (or $3.21 per mcf using Crew's heat content factor).
- **Debt Reduction** – Based on projected capital spending and current forward commodity prices, Crew's previously announced 2021, year end debt to last twelve-month ("LTM") EBITDA [4] is on track to be at the lower end of the forecasted range of 2.7x to 2.5x and is trending towards 1.0x by the end of 2022.

OPERATIONS & AREA OVERVIEW

NE BC Montney (Greater Septimus)

- Production at Greater Septimus averaged 20,237 boe per day[5] in Q3/21, a 12% decrease from the preceding quarter and an 18% increase year-over-year. Volumes were affected by a scheduled facility turnaround at Crew's West Septimus gas plant and were partially offset by the activation of seven new wells in the West Septimus field.
- Production at the West Septimus gas plant, which has a nameplate capacity of 120 mmcf per day of sales gas, achieved record processing volumes of 115 mmcf per day in late October driving corporate production over 30,000 boe per day[5].
- The prescheduled West Septimus gas plant shutdown was completed ahead of schedule with zero recordable injuries, minimizing the shutdown's impact on production volumes and overall operations.
- Nine ultra-extended reach horizontal natural gas wells were drilled and seven wells were completed in Q3/21 at Greater Septimus. One of the wells accomplished a new corporate record with a total drilled length of 6,634 meters. The seven

well 1-8 pad has been producing at restricted rates with the 9-5 pad into a 10 inch pipeline at approximately 50,000 mmcf per day.

- In Q3/21, Crew completed the construction of a 4.3 kilometre, 12-inch gas trunkline and a 4.3 kilometre, 8-inch liquids gathering pipeline into North Septimus to allow for further development in the area, which is expected to represent an extension of the West Septimus ultra condensate rich play. Crew's new ten well 4-14 pad was drilled during the quarter and will be the anchor development in the area.
- Crew completed the installation of a waste heat recovery system on budget and on schedule during Q3/21 to manage our environmental footprint and optimize operations. The system is operating as expected and is on track to reduce GHG emissions by 7,700 tCO2e per year and expand condensate capacity to 5,000 bbls per day. Crew gratefully acknowledges assistance from the Province of British Columbia for their support of this project.

Groundbirch

- As announced in Crew's press release dated October 28, 2021, three wells were completed at the 4-17 pad at Groundbirch during Q3/21. The wells achieved rates of 32 mmcf per day[7] over the 18-day flowback period and are now shut in for a period of two weeks to enable the installation of permanent production facilities.
  - The successful validation of this test pad, along with the evaluation of two distinct zones within the Groundbirch Montney, represent strategically important milestones for Crew given that these drilling results represent the foundation for development of a new core area at Groundbirch. Based on a combination of production and pressure test data, we believe that these wells have the potential to be the most prolific gas wells the Company has drilled to date.
  - Crew owns over 70,000 net acres of contiguous land in the Greater Groundbirch area and has an additional five well authorization permits at the 4-17 pad to follow up on the success of the first three wells. We expect that at least two additional zones in the Groundbirch Montney are potentially prospective and we are currently advancing plans to test those zones in the future.
  - The Company completed construction of a 6.1 kilometre 12-inch pipeline in Q3/21 to connect the new wells with Crew's processing infrastructure at our West Septimus gas plant.

Other NE BC Montney

- We continue to evaluate encouraging offset operator activity in the Tower, Attachie and Oak/Flatrock areas.

CORPORATE SUSTAINABILITY AND ESG INITIATIVES

Crew's environmental, social and governance ("ESG") initiatives continue to be a prime focus as we continue our unwavering commitment to safe and responsible energy production. During the third quarter of 2021, Crew released our inaugural 2020 ESG report in an environmentally conscious online format, outlining our efforts to promote operational innovation, reduce our environmental footprint, support stakeholders and protect our employees' health and safety. Please visit https://esg.crewenergy.com to learn more.

In addition to our ESG report, Crew advanced our corporate sustainability initiatives through listing on OTCQB market, which expands our audience scope, pool of capital, and provides U.S. investors greater flexibility and ease to trade. Further, Crew continued to be active in our ongoing stakeholder engagement efforts by participating in virtual investor conferences and industry meetings, with a goal of ensuring two-way communication with stakeholders and conveying Crew's recent achievements.

- In Q3/21, Crew completed the previously announced non-core asset sale of our Lloydminster heavy crude oil operations, making the Company a pure-play Montney natural gas focused producer. Given Lloydminster represented Crew's most emission-intensive asset, we will have removed 46% of our direct 2020 GHG emissions (Scope 1) and anticipate our total GHG emissions intensity will be reduced significantly going forward. The asset sale sets the stage for Crew to streamline operations and improve efficiencies while reducing our overall decommissioning obligations by nearly 40%, representing approximately $34.5 million associated with 609 gross (539 net) wellbores.
- Crew completed the installation of a waste heat recovery system on budget and on schedule during Q3/21. The system is operating as expected and is on track to reduce corporate GHG emissions by 7,700 tCO2e per year.
- Crew's Septimus 4-14 pad was drilled during Q3/21 and allows for the development of 11 square kilometres of reservoir from one surface lease, thereby minimizing land disturbance.
- In Q3/21, the Company maintained our strong regulatory compliance record, achieving a 95% compliance rating with 62 regulatory inspections completed.
- The Company recorded no spills of significance and no lost time injuries in the third quarter.

OUTLOOK[8]

- **Full Year 2021 Guidance on Track –** Crew is pleased to confirm our full year 2021 guidance and plans to announce the Company's 2022 budget in December 2021:

	2021 Guidance	Updated 2022 Guidance[2]

Annual Production (boe/d)	26,000 to 28,000	31,000 to 33,000
Net Capital Expenditures ($MM)	$150 to $170	$70 to $95
AFF[1]	$120 to $140	$190 to $210
Wells Drilled	26	
Wells Completed	21	

Notes:

(1) Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

(2) Crew's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget.

- **Updated full year 2022 production guidance** was reduced by 1,000 boe per day to reflect the sale of the Lloydminster heavy oil operations.
- **Q4 2021 Production** – After the disposition of 1,050 boe per day[9] of Lloydminster heavy oil assets, Q4/21 volumes are anticipated to average between 28,000 to 29,000 boe per day[9].
- **Full Year 2021 Guidance Reaffirmed** – Forecast full year 2021 average volumes are expected to remain within our previously announced guidance range of 26,000 to 28,000 boe per day[9], with full year net capital expenditures between $150 to $170 million.
- **Near Term Initiatives**
    - Use forecasted free AFF[10] in Q4/21 to reduce debt;
    - Invest in capital projects with strong rates of return and payouts under 12 months, which can be supported by an active hedging program;
    - Test new zones in the Upper Montney "C" and the Lower Montney at the North Septimus 4-14 pad, evaluating their long-term future development potential;
    - Complete, test and place on production five wells on our 4-21 pad that are evaluating two distinct zones within the Montney; and
    - Enter 2022 with ten drilled and uncompleted wells, with plans to complete and bring ten wells onto production through the Septimus gas processing facility in the first quarter of 2022.

We are excited to continue the execution on our proven plan to expand the production of responsible energy into a strengthening operating environment to create value and corporate growth. We would like to thank our employees and our Board of Directors for their contribution and commitment to Crew, as well as our extended stakeholders for their ongoing support.

PASSING OF BOARD MEMBER

It is with profound sorrow that Crew reports the passing of Mr. Dennis Nerland on October 30th, 2021, a long-standing member of the Company's Board of Directors. Mr. Nerland was a respected and successful leader in the business and legal community, and a dedicated father, husband and avid sportsman. After 18-years serving as an integral part of our organization and working alongside the Crew team and our Board of Directors, Dennis' business acumen, calm demeanor, wisdom and his friendship will be deeply missed. Our Crew would like to extend our deepest condolences to Dennis' family.

"Dennis leaves a legacy of significant business and legal accomplishments that was recognized by so many," said Dale Shwed, President and Chief Executive Officer of the Company. "We were fortunate to have had Dennis as a member of our Board, and he will be greatly missed as both a colleague and a friend."

ADVISORIES

Non-IFRS Measures

Certain financial measures referred to in this press release, such as adjusted funds flow or AFF, EBITDA, operating netback, net capital expenditures, net debt, net operating costs and working capital deficiency and are not prescribed by IFRS. Crew uses these measures to help evaluate its financial and operating performance as well as its liquidity and leverage. These non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers.

> *"Adjusted funds flow" or "AFF", presented herein is equivalent to funds from operations before decommissioning obligations settled. The Company considers this metric as a key measure that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment and to service and repay debt. Crew also presents AFF per share in this presentation whereby per share amounts are calculated using fully diluted shares outstanding.*
>
> *"Free AFF" is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions. Management believes that free adjusted funds flow provides a useful measure to determine Crew's ability to improve sustainability and to manage the long-term value of the business.*
>
> *"EBITDA" is calculated as consolidated net income (loss) before interest and financing expenses, income taxes, depletion, depreciation and amortization, adjusted for certain non-cash, extraordinary and non-recurring items primarily relating to unrealized gains and losses on financial instruments and impairment losses. Crew utilizes EBITDA as a measure of operational performance and cash flow generating capability. EBITDA impacts the level and extent of funding for capital projects investments. This measure is consistent with the EBITDA formula prescribed under the Company's Credit Facility and allows Crew and others to assess its ability to fund financing expenses, net debt reductions and other*

obligations.

"Operating Netbacks" equals petroleum and natural gas sales including realized gains and losses on commodity related derivative financial instruments, marketing income, less royalties, net operating costs and transportation costs calculated on a boe basis. Management considers operating netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The calculation of Crew's netbacks can be seen under "Operating Netbacks" within the Company's most recently filed MD&A."

"Net Capital Expenditures" equals exploration and development expenditures plus property acquisitions or less property dispositions.

"Net Debt" is defined as bank debt plus working capital deficiency or surplus, excluding the current portion of the fair value of financial instruments.

"Net Operating Costs" equals operating costs net of processing revenue.

"Working Capital Surplus (Deficiency)" equals current assets less current liabilities and derivative financial instruments.

Please refer to Crew's most recently filed MD&A for additional information relating to Non-IFRS measures including a reconciliation of AFF to its most closely related IFRS measure. The MD&A can be accessed either on Crew's website at www.crewenergy.com or under the Company's profile on www.sedar.com.

Forward-Looking Information and Statements

This news release contains certain forward–looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: the ability to execute on its two-year development plan as described herein; as to our plan to optimize and increase production and infrastructure utilization, reduce unit and net operating costs and enhance margins, streamline operations and improve efficiencies; our Q4 2021 and 2021 annual capital budget range and associated drilling and completion plans and associated guidance; preliminary capital plans and targets for 2022 and associated guidance; production estimates including forecast Q4 and 2021 annual average production volumes; commodity price expectations including Crew's estimates of natural gas pricing exposure; Crew's commodity risk management programs and future hedging opportunities; well abandonment plans; marketing and transportation and processing plans and requirements; estimates of processing capacity and requirements; anticipated reductions in GHG emissions and decommissioning obligations; future liquidity and financial capacity; future results from operations and operating and leverage metrics; anticipated reductions in expenses and associated estimates including forecast unit costs in 2022; forecast debt metric improvements to the lower end of the forecasted range of 2.7x to 2.5x; debt metric trends towards 1.0x by the end of 2022; efficiencies and enhanced returns going forward; world supply and demand projections and long-term impact on pricing; future development, exploration, acquisition and disposition activities (including drilling and completion plans, anticipated on-stream dates and associated development timing and cost estimates); the potential for at least two additional zones to be developed at Groundbirch; the potential extension of our West Septimus ultra-condensate rich play; the potential of our Groundbirch area to be a core area of future development and the number of potential and prolific nature of wells to be drilled; infrastructure investment plans; the successful implementation of our ESG initiatives; the amount and timing of capital projects; and anticipated improvement in our long-term sustainability and the expected positive attributes discussed herein attributable to our two-year development plan.

The internal projections, expectations, or beliefs underlying our Board approved 2021 capital budget and associated guidance, as well as management's preliminary estimates and targets in respect of plans for 2022 and beyond, are subject to change in light of the impact of the COVID-19 pandemic, and any related actions taken by businesses and governments, ongoing results, prevailing economic circumstances, commodity prices, and industry conditions and regulations. Crew's financial outlook and guidance provides shareholders with relevant information on management's expectations for results of operations, excluding any potential acquisitions or dispositions, for such time periods based upon the key assumptions outlined herein. In this press release reference is made to the Company's longer range 2022 and beyond internal plan and associated economic model, targets and preliminary guidance. Such information reflects internal targets used by management for the purposes of making capital investment decisions and for internal long-range planning and budget preparation. Readers are cautioned that events or circumstances could cause capital plans and associated results to differ materially from those predicted and Crew's guidance for 2021 and beyond may not be appropriate for other purposes. Accordingly, undue reliance should not be placed on same.

In addition, forward-looking statements or information are based on a number of material factors, expectations or assumptions of Crew which have been used to develop such statements and information but which may prove to be incorrect. Although Crew believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Crew can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: that Crew will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities consistent with past operations; the quality of the reservoirs in which Crew operates and continued performance from existing wells; the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Crew's reserve volumes; certain commodity price and other cost assumptions; continued availability of debt and equity financing and cash flow to fund Crew's current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which Crew operates; the general continuance of current industry conditions; the timely receipt of any required regulatory approvals; the ability of Crew to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Crew has an interest in to operate the field in a safe, efficient and effective manner; the ability of Crew to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Crew to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Crew operates; and the ability of Crew to successfully market its oil and natural gas products.

The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties *and other factors that may cause actual results or events to defer materially from those anticipated in such forward-looking information or statements including, without limitation: the continuing and uncertain impact of COVID-19; changes in commodity prices; changes in the demand for or supply of Crew's products, the early stage of development of some of the evaluated areas and zones the potential for variation in the quality of the Montney formation; interruptions, unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates; climate change regulations, or other regulatory matters; changes in development plans of Crew or by third party operators of Crew's properties, increased debt levels or debt service requirements; inaccurate estimation of Crew's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Crew's public disclosure documents (including, without limitation, those risks identified in this news release and Crew's Annual Information Form).*

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Crew's prospective capital expenditures, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The actual results of operations of Crew and the resulting financial results will likely vary from the amounts set forth in this press release and such variation may be material. Crew and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Crew undertakes no obligation to update such FOFI. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Crew's anticipated future business operations. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Crew does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Key Budget and Underlying Material Assumptions[1]

	2021[3]	2022 (Updated)[3,4]
Net Capital Expenditures ($MM)	150-170	70-95
Annual Average Production (boe/d)	26,000 – 28,000	31,000-33,000
Adjusted Funds Flow ($MM)	120-140	190-210
EBITDA[2] ($MM)	145-165	214-234
Oil price (WTI)($US per bbl)	$66.00	$65.00
WCS price ($C per bbl)	$66.50	$65.00
Natural gas price (AECO 5A) ($C per gj)	$3.40	$3.15
Natural gas price (NYMEX) ($US per mmbtu)	$3.35	$3.40
Natural gas price (Crew est. wellhead) ($C per mcf)	$ 4.60	$3.90
Foreign exchange ($US/$CAD)	$0.80	$0.80
Royalties	5-7%	4-6%
Net operating costs[2] ($ per boe)	$4.75-$5.25	$3.50-$4.00
Transportation ($ per boe)	$3.50-$4.00	$2.50-$3.00
G&A ($ per boe)	$0.90-$1.10	$0.80-$1.00
Interest rate – bank debt	6.0	6.0
Interest rate – high yield	6.5	6.5

Notes:

(1) The actual results of operations of Crew and the resulting financial results will likely vary from the estimates and material underlying assumptions set forth in this guidance by the Company and such variation may be material. The guidance and material underlying assumptions have been prepared on a reasonable basis, reflecting management's best estimates and judgments.

(2) Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Non-IFRS Measures" contained within this Press Release.

(3) See the Guidance section of the Company's most recently filed Management's Discussion and Analysis for additional information regarding updated guidance and material assumptions.

(4) Crew's plans for 2022 and associated targets *remain preliminary in nature and do not reflect a Board approved capital expenditures budget.*

Supplemental Information Regarding Product Types

The following is intended to provide the product type composition for each of the boe/d production figures provided herein, where not already disclosed within tables above:

Corporate Production Volume Breakdown[2]

	Crude Oil[1]	Natural gas liquids[3]	Condensate	Conventional Natural gas	Total (boe/d)
Lloydminster heavy oil production	98%	0%	0%	2%	1,050
Recent production level	1%	8%	9%	82%	>30,000
2021 Q3 Greater Septimus Average	0 bbl/d	2,168 bbl/d	2,322 bbl/d	94,482 mcf/d	20,237
2021 Q3 Average	1,157 bbl/d	2,242 bbl/d	2,350 bbl/d	107,459 mcf/d	23,659
2021 Q4 Average	1%	9%	9%	81%	28,000-29,000
2021 Annual Average	5%	10%	10%	75%	26,000-28,000

2022 Annual Average	0%	9%	11%	80%	31,000-33,000

Notes:

(1) Crude oil is comprised primarily of Heavy crude oil, with an immaterial portion of Light and Medium crude oil.

(2) With respect to forward looking production guidance, given the potential for variability in actual product type results, the issuer approximates percentages for budget planning purposes based on management's reasonable assumptions including, without limitation, historical well results.

(3 Excludes condensate volumes which have been reported separately.

Test Results and Initial Production Rates

A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed. Test results and initial production ("IP") rates disclosed herein, particularly those of short duration may not necessarily be indicative of long term performance or of ultimate recovery. Initial Production ("IP") rates indicate the average daily production over the indicated daily period.

BOE and MMCFE Conversions

Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of 6:1, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

Crew Energy Inc. is a liquids-rich natural gas producer, committed to pursuing sustainable per share growth through a balanced mix of financially responsible exploration and development complemented by strategic acquisitions. The Company's operations are primarily focused in the vast Montney resource, situated in northeast British Columbia, and include a large contiguous land base. Crew's liquids-rich natural gas areas of Septimus and West Septimus and Groundbirch in British Columbia offer significant development potential over the long-term. The Company has access to diversified markets with operated infrastructure and access to multiple pipeline egress options. Crew adheres to safe and environmentally responsible operations while remaining committed to sound environmental, social and governance practices which underpin Crew's fundamental business tenets. Crew's common shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "CR".

Financial statements and Management's Discussion and Analysis for the three and nine month periods ended September 30, 2021 are filed on SEDAR at www.sedar.com and are available on the Company's website at www.crewenergy.com.

FOR DETAILED INFORMATION, PLEASE CONTACT:

Dale Shwed, President and CEO
John Leach, Executive Vice President and CFO

Phone: (403) 266-2088
Email: investor@crewenergy.com

1 See table in the Advisories for production breakdown by product type as defined in NI 51-101.

2 Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

3 Crew's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget.

4 Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.

5 See table in the Advisories for production breakdown by product type as defined in NI 51-101.

6 See table in the Advisories for key budget and underlying material assumptions related to Crew's development plan and associated guidance.

7 See 'Test Results and Initial Production Rates' in the Advisories.

8 See table in the Advisories for key budget and underlying material assumptions related to Crew's development plan and associated guidance.

9 See table in the Advisories for production breakdown by product type as defined in NI 51-101.

10 Non-IFRS measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with the calculations of similar measures for other entities. See "Advisories - Non-IFRS Measures" contained within this press release.